Court File No. CV-23-00700695-00CL

***ONTARIO***
**SUPERIOR COURT OF JUSTICE**
**(COMMERCIAL LIST)**

| | | |
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| THE HONOURABLE | ) | FRIDAY, THE 24TH |
| | ) | |
| JUSTICE J. DIETRICH | ) | DAY OF JULY, 2026 |

B E T W E E N:

**MARSHALLZEHR GROUP INC.**

Applicant

- and -

**LA PUE INTERNATIONAL INC.**

Respondent

**APPLICATION UNDER section 243(1) of the *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, as amended, and section 101 of the *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, as amended**

# ORDER
**(Lien Holdback)**

**THIS MOTION**, made by AlixPartners Restructuring, Inc. (formerly KSV Restructuring Inc.) in its capacity as Court-appointed receiver and manager (in such capacity, the "**Receiver**"), without security, of all of the assets, undertakings and properties of La Pue International Inc. (the "**Debtor**"), for an order, among other things: (i) quantifying the statutory holdback under the

*Construction Act*, R.S.O. 1990, c. C.30, as amended (the "**Construction Act**"); and (ii) granting related relief in respect of the Lien Proceedings (as defined below), was heard this day by judicial videoconference via Zoom in Toronto, Ontario.

**ON READING** the Motion Record of the Receiver dated July 17, 2026, including the Tenth Report of the Receiver dated July 17, 2026 and the appendices thereto (the "**Tenth Report**"), and on hearing the submissions of counsel for the Receiver and such other parties as were present, no one appearing for any other party although duly served as appears from the affidavits of service of Alex Bernicchia-Freeman sworn July 17, 2026, and July 21, 2026, as filed:

**SERVICE AND DEFINITIONS**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the Tenth Report.

3. **THIS COURT ORDERS** that the stay of proceedings provided by the Order of the Honourable Mr. Justice Cavanagh dated October 19, 2023, as amended, restated or supplemented from time to time (the "**Receivership Order**"), is hereby lifted solely to the extent necessary to give effect to the provisions of this Order and in respect of the lien proceedings listed in **Schedule "A"** hereto (collectively, the "**Lien Proceedings**").

**LIEN HOLDBACK SETTLEMENT**

4. **THIS COURT ORDERS** that the holdback under the Construction Act with respect to the Debtor's condominium project known as The Stanley District, located at 5528 Ferry Street, Niagara Falls, Ontario, PIN 64349-0258 (LT) (the "**Improvement**"), is fixed in the amount of $901,295.00, inclusive of HST (the "**Holdback Settlement Amount**").

5. **THIS COURT ORDERS** that the Receiver shall pay the Holdback Settlement Amount from the Holdback Reserve to the Accountant of the Ontario Superior Court of Justice (the "**Accountant**") to the credit of the Lien Proceedings.

6. **THIS COURT ORDERS** that, upon payment of the Holdback Settlement Amount to the Accountant in accordance with paragraph 5 of this Order, the Receiver and the Debtor shall have no further obligation to hold, reserve or pay any additional amount in respect of the Holdback Settlement Amount, except as expressly provided in this Order or any further Order of this Court.

**DISMISSAL OF CERTAIN CLAIMS AND PRIORITY CLAIMS**

7. **THIS COURT ORDERS** that the claims of Sovereign General Insurance Company ("**Sovereign**") and MarshallZehr Group Inc. ("**MarshallZehr**") for priority to the statutory holdback under the Construction Act in respect of the Improvement and the Holdback Settlement Amount are hereby dismissed without costs.

8. **THIS COURT ORDERS** that the claims of the Lien Claimants against Sovereign and MarshallZehr in the Lien Proceedings are hereby dismissed without costs.

**LIEN PROCEEDINGS**

9. **THIS COURT ORDERS** that, subject to further Order of the Court, the Receiver and the Debtor shall not be required to participate in or defend any of the Lien Proceedings, or to incur any costs in respect of the Lien Proceedings.

10. **THIS COURT ORDERS** that, in the Lien Proceedings and on dates to be agreed to by the parties, leave is granted to the parties to exchange affidavits of documents, together with the documents listed in Schedule "A" to their respective affidavits of documents, and conduct examinations for discovery under the *Rules of Civil Procedure*.

11. **THIS COURT ORDERS AND DECLARES** that this Order is not, and shall not be deemed to be, an acknowledgment of any merits or substance of the Lien Proceedings, and no party to the Lien Proceedings shall be deemed by virtue of this Order to have made any admission, acknowledgment or acquiescence of or to any liability or claim in the Lien Proceedings. All rights, remedies and defences of the parties to the Lien Proceedings are expressly reserved, except to the extent expressly compromised, released, dismissed or otherwise affected by paragraphs 6, 7, 8, and 9 of this Order.

12. **THIS COURT ORDERS** that a copy of this Order may be filed in the court file of each of the Lien Proceedings.

**GENERAL**

13. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

14. **THIS COURT HEREBY REQUESTS** the aid and recognition of any other Canadian and foreign court, tribunal, regulatory or administrative body ("**Judicial Bodies**") to give effect to this Order and to assist the Receiver and its respective agents in carrying out the terms of this Order. All Judicial Bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its respective agents in carrying out the terms of this Order.

15. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Eastern Time) on the date of this Order.



## Schedule "A" – List of Lien Claimants

| Lien Claimant | Lien Amount | Court File No. |
|---|---|---|
| **Buttcon Limited** | $8,205,941.87 | CV-23-00014422-0000 |
| **Astro Excavating Inc.** | $494,853.95 | CV-22-00060943-0000 |
| **TT Galbraith Electric Ltd.** | $23,278 | **N/A**[1] |
| **Kada Group Inc.** | $841,498.31 | CV-23-00014434-0000 |
| **Kada Group Inc.** | $123,734.28 | CV-23-00014434-0000 |
| **HC Matcon Inc.** | $3,673,337.03 | CV-23-00014365-0000 |
| **HC Matcon Inc.** | $43,630.39 | CV-23-00014466-0000 |
| **HC Matcon Inc.** | $9,938.58 | CV-23-00014673-0000 |

[1] TT Galbraith Electric Ltd. did not commence a separate action to perfect its lien and relies on subsection 36(4) of the Construction Act to shelter under an action commenced to enforce another lien arising from the Improvement.

**MARSHALLZEHR GROUP INC.**
Applicant

and

**LA PUE INTERNATIONAL INC.**
Respondent

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***ONTARIO***
**SUPERIOR COURT OF JUSTICE**
**(COMMERCIAL LIST)**

Proceedings commenced at TORONTO

# ORDER
**(Lien Holdback)**

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*Lawyers for AlixPartners Restructuring, Inc., in its capacity as Court-appointed receiver of La Pue International Inc.*



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